



How does the Michigan Universal FAFSA Completion Bill Stack Up Against Best Practices?

SB463, introduced by Senator Camilleri in August 2023, is designed to improve communication with high school students and their families about college opportunities, and about available financial aid to help pay for college costs, as well as to help them complete the federal application required to get more financial aid dollars in the hands of students. This bill moves Michigan towards setting the expectation that completing the Free Application for Federal Student Aid (FAFSA) is a critical step for exploring life after high school. While there are still a few elements we believe are needed to make this policy more effective. See how SB463 stacks up against TICAS' policy recommendations, based on national best practices, below.

TICAS Recommendations for Universal FAFSA Completion Policy

SB463 Universal FAFSA Completion Bill

STUDENT PROTECTIONS

Student and Parent Opt-Out

✓ **Yes:** Section 1(b) of this bill grants students the opportunity to complete a waiver and fulfill the requirement for high school graduation.

Hardship/Special Circumstance Waiver Authorized by School/District Personnel

✓ **Yes:** Section 2 of the bill outlines the hardship waiver policy protections for students if: the student is ineligible to submit the FAFSA, the parent or guardian cannot/refuses to sign the waiver or complete a FAFSA, etc.

Education and Resources to students/families

✓ **Yes:** Section 3 ensures students who opt-out or receive a waiver are still provided critical information on accessing financial aid.

RESOURCES

Financial resources to Schools and community-based organizations for program implementation

✗ **No:** This bill does not yet provide resources to support implementation. However, the state did invest \$15 million for high schools in the FY24 budget to boost FAFSA completion. TICAS recommends ongoing investment to support this requirement with \$17 million going to schools.

Financial resources to Department of Treasury for system updates and marketing

✗ **No:** This bill does not yet provide resources to support implementation. TICAS recommends \$3 million set aside for state administration and marketing.

MANAGEMENT

Supports collaboration between K-12 and higher education groups for implementation.

✓ ✗ **Yes/No:** The bill does create a strong statewide FAFSA policy, but it does not incentivize collaboration between K-12 and higher education groups.

Grant the Department of Treasury the authority over FAFSA data and annual reporting.

✓ **Yes:** Sections 5, 6, and 7 grant the Department of Treasury in conjunction with the Center for Educational Performance and Information (CEPI) authority over data and reporting.

Delayed implementation for at least one full FAFSA cycle

✓ **Yes:** Section 1 states this change will take effect in the 2024-2025 school year, one full FAFSA cycle from now. However, this may need to be amended depending on when the bill passes the legislature and is signed by the governor.

Training and educational resources for support personnel.

✓ **Yes:** Section 4 outlines the specific information school districts are expected to provide students before grade 12.

DATA SHARING

Progress Tracking

✓ **Yes:** Sections 5, 6 and 7 set up the data collection and sharing authorizations that will allow the state, school districts, and community partners to understand their progress towards increasing FAFSA completion in real time.

Data-sharing

✓ **Yes:** Section 6 states that valuable completion data will be made available to the public to support continued policy, process, and support improvement.

The FAFSA is the primary application for accessing federal, state, and institutional/programmatic financial aid that can be used towards an education at an approved skilled trade program, community college, and four-year institution. Despite this, only about half of the Class of 2023 in Michigan completed a FAFSA¹. Nationally, this puts Michigan 31st in FAFSA completion, trailing Louisiana, Texas, Illinois and others who consistently have the highest rates of completion thanks to their universal FAFSA completion policies². Their successes have inspired Indiana, Nebraska, Oklahoma, and Kansas to pass similar policies this year³. See the breakdown of benefits of FAFSA completion for groups across Michigan below.

Benefits of FAFSA Completion for Groups Across Michigan

For Students

- Automatic consideration for federal, state & institutional financial aid.
- Raises awareness of need-based eligibility and available resources for completing a degree or certificate.
- Allows for direct conversations about college affordability.
- Increases likelihood of enrolling in postsecondary education and persistence.
- Supports better informed decision making.

For Schools

- Increases the priority and attention given to FAFSA, a key measure of counselor/advisor success.
- Sets aside intentional time to discuss college affordability and postsecondary options.
- Allows teachers and counselors to make key connections to financial literacy curriculum and real-life applications.
- Increases postsecondary preparedness.
- Ensures that all students enrolled have a touch point for post-graduation.

For Businesses

- Minimizes worries of employees with children ability to help cover the cost of tuition, allowing them to focus on their current position.
- College graduates form the talent pool which will fuel future work and sales.
- College graduates have higher incomes and, thus, greater means to expend that income on Michigan goods and services.

For Michigan

Closing the gap of affordability for students to access unused financial resources can contribute to increased college enrollments and persistence rates leading to more individuals with postsecondary credentials. This in turn will help the state:

- Meet its 60 by 30 college attainment goal.
- Produce sufficient talent to fuel a sustainable economy.
- Provide ample opportunities for upward mobility.
- Have a happier and healthier populace.

¹ Michigan College Access Network. Michigan FAFSA Tracker. (January 2022). <https://michigan.fafsatracker.com/>

² National College Attainment Network. "Current FAFSA Completion Rates by State: Michigan". (2023) https://national.fafsatracker.com/currentRates?selectedSchoolSelectModel=22&sortBy=current_comp_rate &

³ National College Attainment Network. "Universal FAFSA Completion with Supports". <https://www.ncan.org/page/UniversalFAFSA>